OFFICE OF THE COMPTROLLER GENERAL

MINISTERIAL ACCOUNTABILITY REPORT

2008/2009

BRITISH COLUMBIA

The Best Place on Earth

Ministerial Accountability Report

For the Fiscal Year Ended
March 31, 2009

2008/2009

Ministry of Finance
Office of the Comptroller General

BRITISH COLUMBIA
The Best Place on Earth

National Library of Canada Cataloguing in Publication Data

British Columbia. Office of the Comptroller General.
Ministerial accountability report... –2002/2003
–Addendum
Annual.
Report year ends Mar. 31.
ISSN 1703–9983 = Ministerial accountability

1. Executive departments – British Columbia –Accounting–Periodicals. 2. Finance, Public–British Columbia–Periodicals. 3. Finance statements–British Columbia–Periodicals. I. Title.
HJ13.B7B74 352.43'0971105 C2002–960231–9

July 9, 2009
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2008/09. This is the seventh annual report required under the *Balanced Budget and Ministerial Accountability Act*.

COLIN HANSEN
Minister of Finance

July 9, 2009
Victoria, British Columbia

Honourable COLIN HANSEN
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expenses, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- For members of the Executive Council without operating expense responsibility, specifically, Ministers of State, and for the Minister of Small Business and Revenue—a list of expected and actual results as described for the member; and
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

CHERYL WENEZENKI-YOLLAND
Comptroller General

Contents

Reporting Requirements under the *Balanced Budget and Ministerial Accountability Act*

Ministerial Accountability 7
Collective Responsibilities 7
Individual Responsibilities 7

Ministerial Accountability Report Summary of Schedules 9

Reporting Results

Collective Responsibilities Results 10
Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities 10
Reconciliation of Summary Accounts Surplus to Stated Estimates Amount 11

Comparison of Revenue Generation and Non-financial Targets to Results Achieved for the Minister of Healthy Living and Sport, Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses 12

Ministerial Salary Holdback Repayment Results 15

Ministerial Accountability for the Fiscal Year Ended March 31, 2009

The *Balanced Budget and Ministerial Accountability Act* (BBMAA) holds ministers responsible, individually and collectively, for ensuring ministries operate within their budgets, government meets its overall financial commitment, and the Ministers of State, Minister of Healthy Living and Sport, and the Minister of Small Business and Revenue meet their targets. The BBMAA ties ministers' salaries directly to financial and non-financial targets. The Ministerial Accountability Report communicates the results.

The BBMAA requires that a comparison of expected and actual performance results be released with the Public Accounts. This reporting is separate from any other performance reporting requirements, such as the service plan reports required of each minister under the *Budget Transparency and Accountability Act*.

The BBMAA requires a holdback of 20 per cent of ministerial salaries until release of the Public Accounts for that fiscal year. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all ministers participate and half is related to individual ministerial responsibilities for meeting expense, revenue or other non-financial targets. The government as a whole must meet its provincial budget target in order for ministers to be entitled to receive the ten per cent collective holdback. Ministers earn the other ten per cent by meeting their ministry budget or non-financial targets which is their individual responsibility. Where requirements are met, the holdback for ministers responsible for operating expense and for the Minister of Small Business and Revenue is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the BBMAA is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2008/09 may be summarized as follows:

- If a summary surplus is forecast and the actual surplus is at least 50 per cent of the estimate, the collective holdback is repayable.
- If neither a summary deficit nor surplus is forecast and there is no deficit, the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the BBMAA are based on:

- Ministry spending for ministers with operating expense responsibilities, except for the Minister of Small Business and Revenue.
- Revenue results as specified by regulation for the Minister of Small Business and Revenue.
- Specified expected results for the Minister of Healthy Living and Sport and members of the Executive Council without operating expense responsibilities.

Ministerial Accountability for the Fiscal Year Ended March 31, 2009—Continued

The BBMAA requires that the following information be reported:

- Schedule I of the Estimates discloses the individual ministerial financial targets for the fiscal year. If during the fiscal year a government reorganization takes place, as described in Section 1 of the legislation, a revised Schedule I must be published that discloses the revised operating expenses that are the responsibility of each minister.
- The operating expense targets for 2008/09 are the amounts stated in the revised Schedule I.
- A comparison of actual results and the estimated amounts published in the revised Schedule I for the fiscal year ending March 31, 2009, which includes amendments by the *Ministerial Accountability Bases Act, 2008–2009*; the *Wildfire Act*; the *Emergency Program Act*; and the *Musqueam Reconciliation, Settlement and Benefits Agreement Implementation Act* for ministers with responsibility for operating expenses under each of the applicable sections of the BBMAA.
    - Where responsibilities were shared or changed during the year, actual spending is shown against the responsible ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the revised Schedule I.
    - Changes and shared responsibilities are measured in monthly proportions of this annual result and are included in the applicable minister's targeted and actual result amounts for the period of time they held the responsibility. Note that Contingencies (All Ministries) and New Programs are the responsibility of the Minister of Finance.
- Actual results for the Minister of Healthy Living and Sport, Minister of Small Business and Revenue and for ministers w thout responsibility for operating expenses are taken from the 2009 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 37/2008 and 61/2008.
- The Ministerial Salary Holdback Repayment Results schedule discloses amounts for all ministers held accountable under the BBMAA.

Ministerial Accountability Report Summary of Schedules

Comparison of Expected Results to Actual Results—this statement discloses the results of comparing actual operating expenses of the government as a whole, and individual ministries, against the financial targeted operating expenses.

This statement shows for each minister (other than the Minister of Small Business and Revenue) with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount that must be made public with the Estimates under Section 6(1) of the *Balanced Budget and Ministerial Accountability Act* (BBMAA). This estimated amount is described in Section 5(1) of the BBMAA and represents the targeted operating expenses that are the responsibility of the minister as set out in the main Estimates for the Fiscal Year Ending March 31, 2009 which includes any adjustments to reflect enacted legislation.

During the fiscal year, if a government reorganization takes place as described in Section 1 of the BBMAA a revised Schedule I must be published that sets out the targeted operating expenses that are the responsibility of the minister.

The statement also discloses the actual amount of operating expenses for each minister as required under Section 6(2) of the BBMAA and communicates whether or not the collective and individual responsibility targets have been successfully achieved.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved—this statement has been prepared in order to communicate the revenue generating or non–financial targets established through regulation and the results achieved by the responsible ministers. In addition to the financial accountability reporting under the BBMAA, non–financial results are also required. Results are taken from the annual public service plan reports of each Minister of State.

Ministerial Salary Holdback Repayment Results—this statement discloses the amounts of the salary holdbacks of the responsible ministers for both collective and individual results. These holdbacks are repayable based on the results achieved as communicated through this Ministerial Accountability Report.

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2009

Collective Responsibilities Results

In Thousands

	Estimates Expected Results	Actual Results	Variance	Actual Surplus Within Target
Summary Financial Statements Surplus (Deficit)	$	$	$	
Provincial Budget Target per Estimates March 31, 2009 and actual results shown in Public Accounts' Statement of Operations	50,000	78,152	28,152	
Summary Surplus (Deficit) for *Balanced Budget and Ministerial Accountability Act* purposes	**50,000**	**78,152**	**28,152**	**Yes**

Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities

In Thousands

	Expected Results[1,2]	Actual Results	Variance	Actual Spending Within Targets
	$	$	$	
Premier	14,102	13,524	(578)	Yes
Minister of Aboriginal Relations and Reconciliation	62,127	62,033	(94)	Yes
Minister of Advanced Education and Labour Market Development[3]	2,286,347	2,236,834	(49,513)	Yes
Minister of Agriculture and Lands	289,352	221,527	(67,825)	Yes
Attorney General and Minister Responsible for Multiculturalism	547,803	530,243	(17,560)	Yes
Minister of Children and Family Development	1,488,145	1,484,986	(3,159)	Yes
Minister of Community Development[3]	439,658	431,356	(8,302)	Yes
Minister of Education and Minister Responsible for Early Learning and Literacy	5,463,957	5,440,852	(23,105)	Yes
Minister of Energy, Mines and Petroleum Resources	77,544	50,542	(27,002)	Yes
Minister of Environment and Minister Responsible for Climate Action	271,504	250,022	(21,482)	Yes
Minister of Finance and Minister Responsible for the Olympics	1,652,067	1,308,630	(343,437)	Yes
Minister of Forests and Range	718,829	716,580	(2,249)	Yes
Minister of Health Services[3]	13,742,106	13,676,031	(66,075)	Yes
Minister of Healthy Living and Sport[4]	54,358	50,285	(4,073)	Yes
Minister of Housing and Social Development[3]	2,413,727	2,410,773	(2,954)	Yes
Minister of Labour and Citizens' Services	104,625	103,416	(1,209)	Yes
Minister of Public Safety and Solicitor General	646,298	641,234	(5,064)	Yes
Minister of Small Business, Technology and Economic Development and Minister Responsible for the Asia-Pacific Initiative[3]	104,530	99,795	(4,735)	Yes
Minister of Tourism, Culture and the Arts[3]	373,421	368,967	(4,454)	Yes
Minister of Transportation and Infrastructure[3]	914,887	912,140	(2,747)	Yes
Total Individual Responsibilities Results	**31,665,387**	**31,009,770**	**(655,617)**	

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2009—Continued

Reconciliation of Summary Accounts Surplus to Stated Estimates Amount

In Thousands

	Expected Results[1,2]	Actual Results	Variance
	$	$	$
Consolidated Revenue Fund Revenue	31,117,000	30,533,008	(583,992)
Less: Total Expenses from Individual Responsibilities Results	(31,665,387)	(31,009,770)	655,617
Less: Estimates not included under the *Balanced Budget and Ministerial Accountability Act*:			
Legislation	(64,058)	(74,876)	(10,818)
Officers of the Legislature	(52,905)	(50,914)	1,991
BC Timber Sales	(219,200)	(168,783)	50,417
Minister of Small Business and Revenue[5]	(69,450)	(61,422)	8,028
Total Consolidated Revenue Fund Estimated Surplus (Deficit)	(954,000)	(832,757)	121,243
Plus: Taxpayer–supported Crown corporations and agencies earnings (loss)	(1,590,000)	(1,993,821)	(403,821)
Plus: Self–supported Crown corporations and agencies earnings (loss)	2,680,000	2,904,730	224,730
Less: Forecast allowance	(750,000)		750,000
Adjusted Summary Accounts Estimated Surplus (Deficit)	(614,000)	78,152	692,152
Plus: Supplementary Estimates and Statutory Exemptions not included in Summary Surplus target	664,000		(664,000)
Actual Result shown in Public Accounts' Statement of Operations	**50,000**	**78,152**	**28,152**

[1]The Ministry of Finance is accountable under the BBMAA for budgeted contingency amounts and their spending; therefore, both the contingency allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and the Ministerial Appropriations schedules published on the Ministry of Finance website at www.fin.gov.bc.ca.

[2]Expected Results are as disclosed in the Revised Schedule I which includes adjustments to reflect the *Ministerial Accountability Bases Act, 2008–2009*, the *Wildfire Act*, *Emergency Program Act*, and the *Musqueam Reconciliation, Settlement and Benefits Agreement Implementation Act*. The amounts disclosed in the Revised Schedule I have been adjusted to include actual amounts of spending under the *Emergency Program Act* and under the *Wildfire Act*.

[3]The following minister's portfolios were renamed during the year:

The Minister of Advanced Education was renamed the Minister of Advanced Education and Labour Market Development.

The Minister of Community Services was renamed the Minister of Community Development.

The Minister of Health was renamed the Minister of Health Services.

The Minister of Employment and Income Assistance was renamed the Minister of Housing and Social Development.

The Minister of Economic Development was renamed the Minister of Technology, Trade and Economic Development and was later renamed the Minister of Small Business, Technology and Economic Development and Minister Responsible for the Asia-Pacific Initiative.

The Minister of Tourism, Sport and the Arts was renamed the Minister of Tourism, Culture and the Arts.

The Minister of Transportation was renamed the Minister of Transportation and Infrastructure.

[4]Government reorganization disestablished the Minister of State for ActNow BC and transferred all duties, powers and functions to the established Minister of Healthy Living and Sport on June 23, 2008.

[5]Government reorganization disestablished the Ministry of Small Business and Revenue on January 19, 2009.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Healthy Living and Sport, Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2009

Expected Results	Results Achieved
Minister of Small Business and Revenue[1]	
(a) The sources of actual revenue for the 2008/2009 fiscal year are specified as audit and revenue compliance related activities in respect of taxes, resource royalties and other revenues payable under enactments administered by the member of the Executive Council responsible for operating expenses of the Ministry of Small Business and Revenue, and	
(b) the amount of actual revenue in the 2008/2009 fiscal year from the revenue sources referred to in paragraph (a) is specified as $200.93 million.	Yes
Minister of Healthy Living and Sport	
(a) Initiate and monitor the implementation of an ActNow BC Action Plan.	Yes
(b) With input from other ministries, monitor and support the evaluation of ministry–led initiatives aimed at ActNow BC targets.	Yes
(c) Manage a public awareness campaign for ActNow BC and its message of choosing an active and healthy lifestyle.	Yes
(d) Facilitate partnerships with the broader public sector, including schools, health authorities, colleges and universities, and with persons in the private sector in order to achieve ActNow BC goals.	Yes
(e) Report on the results referred to in paragraphs (a) to (d) to the Government Caucus Committee on Social Development.	Yes
Minister of State for Childcare	
(a) Work to increase the number of licensed child care spaces in B.C.	
(i) using available school space or other public buildings,	
(ii) through a partnership with BC Housing,	
(iii) in licensed non–profit group care, and	
(iv) with independent providers and family child care providers.	Yes
(b) Work to increase licensed child care spaces that include an aboriginal cultural component.	Yes
(c) Initiate implementation of a comprehensive 5–year Strategic Child Care Plan for B.C.	Yes
(d) In partnership with other ministries and agencies, work to establish additional neighbourhood centres that include child care early childhood development and family strengthening programs.	Yes
(e) Work with the Ministry of Small Business and Revenue, through the Regulatory Reform Initiative, in order to review and recommend changes to the regulations for the Child Care Subsidy Program.	Yes
(f) Report on the results referred to in paragraphs (a) to (e) to the Government Caucus Committee on Social Development.	Yes

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Healthy Living and Sport, Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2009—Continued

Expected Results	Results Achieved
Minister of State for Intergovernmental Relations	
(a) Promote an equitable distribution of federal spending and benefits for B.C. by working with ministers to present proposals to the Government of Canada for policy changes and federal funding under existing or new national programs in the following areas:	
(i) closing the socio–economic gaps between Aboriginal people and other Canadians;	
(ii) Pacific Gateway transportation investments and policy changes so that Canada benefits from Asia–Pacific market opportunities;	
(iii) investments pursuant to federal commitments to B.C. to address the social, economic and environmental consequences of the Mountain Pine Beetle epidemic;	
(iv) agreements and arrangements advancing labour mobility, immigration and credential recognition.	Yes
(b) Promote B.C.'s international priorities, including the following:	
(i) Canada–U.S. border issues;	
(ii) the Pacific Coast Collaborative;	
(iii) our proximity and cultural ties with the growing Asia–Pacific market.	Yes
(c) Pursue opportunities for improving B.C.'s bilateral relations, including encouraging increased cooperation with the Province of Alberta, the State of Washington, the State of Oregon, the State of California, the State of Montana, the State of Alaska, or any other regional partner.	Yes
(d) Work towards strengthening relationships with the Consular Corps in B.C. for the purposes of advancing relationships with other countries.	Yes
(e) Facilitate implementation of the last year of the 2006–2009 Canada–British Columbia Cooperation Agreement on Official languages and enter into negotiations for a new Agreement on Official Languages with Canada.	Yes
(f) Report on the results referred to in paragraphs (a) to (e) to Cabinet.	Yes
Minister of State for Mining	
(a) Support the continued implementation of the Asia Pacific Initiative with respect to mining in order to	
(i) encourage investment in B.C. exploration and mining projects, and	
(ii) promote business with the mining services sector (engineering, reclamation, health and safety, transportation, financial and legal consulting services).	Yes
(b) Identify opportunities for streamlining regulations and reducing regulatory overlap between various levels of government in order to reduce the regulatory burden on persons conducting mining exploration and development in B.C.	Yes
(c) Develop and commence implementation of a plan for B.C.'s aggregate industry that includes matters relating to	
(i) aiding the sustainable and responsible management of the resource,	
(ii) enhancing the safety of workers in this industry,	
(iii) aiding the effective and streamlined management of this industry, and	
(iv) enhancing opportunities for the aggregate industry.	Yes

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Healthy Living and Sport, Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2009—Continued

Expected Results	Results Achieved
(d) Develop initiatives in order to enhance cross–ministry and cross–agency cooperation in the processes established for consultation with and accommodation of First Nations in matters that relate to mining.	Yes
(e) Report on the results referred to in paragraphs (a) to (d) to the Government Caucus Committee on Natural Resources and the Economy.	Yes

[1]Government reorganization disestablished the Ministry of Small Business and Revenue on January 19, 2009 and transferred the responsibility of the revenue generating target to the Minister of Finance.

Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2009

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Minister of Small Business and Revenue	$	$	$
Minister of Small Business and Revenue and Minister Responsible for Deregulation	4,005	4,004	8,009
Members of the Executive Council without Operating Expense Responsibilities			
Minister of State for ActNow BC	794	794	1,588
Minister of State for Childcare	3,492	3,491	6,983
Minister of State for Intergovernmental Relations	2,698	2,697	5,395
Minister of State for Mining	3,492	3,491	6,983

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Members of the Executive Council with Operating Expense Responsibilities	$	$	$
Premier	8,979	8,979	17,958
Minister of Aboriginal Relations and Reconciliation	4,988	4,988	9,976
Minister of Advanced Education and Labour Market Development	4,988	4,988	9,976
Minister of Agriculture and Lands	4,988	4,988	9,976
Attorney General and Minister Responsible for Multiculturalism	4,988	4,988	9,976
Minister of Children and Family Development	4,988	4,988	9,976
Minister of Community Development	4,988	4,988	9,976
Minister of Education and Minister Responsible for Early Learning and Literacy	4,988	4,988	9,976
Minister of Energy, Mines and Petroleum Resources	4,988	4,988	9,976
Minister of Environment and Minister Responsible for Climate Action	4,988	4,988	9,976
Minister of Finance and Minister Responsible for the Olympics	4,988	4,988	9,976
Minister of Forests and Range	4,988	4,988	9,976
Minister of Health Services	4,988	4,988	9,976
Minister of Healthy Living and Sport	3,854	3,853	7,707
Minister of Housing and Social Development	4,988	4,988	9,976
Minister of Labour and Citizens' Services	4,988	4,988	9,976
Minister of Public Safety and Solicitor General	4,988	4,988	9,976
Minister of Small Business, Technology and Economic Development and Minister Responsible for the Asia-Pacific Initiative	4,988	4,988	9,976
Minister of Tourism, Culture and the Arts	4,988	4,988	9,976
Minister of Transportation and Infrastructure	4,988	4,988	9,976

[1] Holdback amounts are reported on the accrual basis. Ministers may be in a position less than a year, therefore, holdback amounts may vary.

BRITISH COLUMBIA

The Best Place on Earth

Ministry of Finance

VISIT OUR WEBSITE AT: www.fin.gov.bc.ca